

State of South Dakota

SEVENTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 1997

400A0676

SENATE BILL NO. 265

Introduced by: The Committee on State Affairs at the request of the Governor

1 FOR AN ACT ENTITLED, An Act to provide for the repeal of the railroad tax credit.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 10-28-21.1 be repealed.

4 ~~—10-28-21.1. Any publicly operated railroad or railway corporation operating over rail lines~~
5 ~~located within this state may claim a credit against the tax levied on such rail lines for amounts~~
6 ~~which the railroad or railway corporation has certified as having been expended in the~~
7 ~~replacement and repair of such rail lines. Only those expenses of a capital nature may be certified~~
8 ~~as an expense eligible for a credit pursuant to this section. The certification required by this~~
9 ~~section shall be on forms provided by the Department of Revenue. The labor and material~~
10 ~~expenses certified pursuant to this section shall be itemized separately. The credit provided in this~~
11 ~~section shall be applied proportionally across the railroad's entire mainline within this state. The~~
12 ~~credit shall be applied to tax liability over a three-year period in an amount equal to thirty-three~~
13 ~~and one-third percent the first year following certification; thirty-three and one-third percent of~~
14 ~~such an amount shall carry forward into the second year following certification; and thirty-three~~
15 ~~and one-third percent shall carry forward into the third year following certification. Each year's~~
16 ~~carryover shall be accumulated as a tax credit with other years' annual tax credits. No credit may~~

1 ~~be given for the repair or replacement of railway line necessitated by washout, fire, or train~~
2 ~~derailment. No rail line carrying over ten million gross ton miles per mile annually may receive~~
3 ~~a credit pursuant to this section. Any rail line which carries between five million and ten million~~
4 ~~gross ton miles per mile annually shall receive a credit for only one-half of the expenses certified~~
5 ~~pursuant to this section. The provisions of this section do not affect credits certified prior to~~
6 ~~January 30, 1994.~~

7 Section 2. The repeal of § 10-28-21.1 does not effect credits certified prior to January 30,
8 1997.